

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Promote Policy  
and Program Coordination and Integration in  
Electric Utility Resource Planning.

Rulemaking 04-04-003  
(Filed April 1, 2004)

**ASSIGNED COMMISSIONER'S RULING ON INTERACTION  
BETWEEN THE CPUC LONG-TERM PLANNING PROCESS AND  
THE CALIFORNIA ENERGY COMMISSION (CEC) INTEGRATED  
ENERGY POLICY REPORT (IEPR) PROCESS**

The purpose of this ruling is to advise parties that CPUC and CEC interagency staff have been working together to devise a plan to integrate the activities of the CPUC's long-term resource planning process and the CEC's Integrated Energy Policy Report (IEPR) process.

In advance of the CEC's September 20 and 21 public workshops commencing their 2005 IEPR process, we are advising the parties of our progress to date.

Attached to this ruling is a one-page summary of how the staff of the two agencies, with input from the California Independent System Operator (CA ISO), see the integration of our planning processes (see Attachment A). The exact details have not been finalized, and some subjects, such as transmission planning, are being addressed in more detail in other venues; however, we can make some general statements to advise parties of the appropriate venue for participating on certain subjects.

In general, we see the CEC's 2005 IEPR as the initiation of a new, integrated, statewide resource planning process. To date, we have taken a less comprehensive approach as we sought to address immediate needs. But with the 2005/2006 cycle, we are beginning the first integrated cycle for the new resource planning framework. We expect the investor-owned utilities under our jurisdiction to participate fully and cooperatively in the CEC's IEPR process.

We view the CEC's IEPR process, in particular, as the appropriate venue for considering issues of load forecasting, resource assessment, and scenario analyses, to determine the appropriate level and ranges of resource needs for load serving entities (LSEs) in California.

The parameters of those needs are governed by rules on resource adequacy in the process of being set by the CPUC, with the cooperation of the CEC staff, and likely to be augmented and potentially amended in the future. We expect that all LSEs will provide their load forecasts, resource plans, and planning expertise to the CEC in its IEPR process. For our part, pursuant to, *inter alia*, Section 25302(f) of the Public Resources Code, we intend to rely on the CEC's need determinations made in the IEPR process, and we do not intend to reexamine the range of need based on scenario analyses in our biennial review of utility long-term plans beginning in 2006. Except as required by Section 25302(f) or other applicable law, or as necessary to evaluate for any updates or changes that might be required on the basis of additional information that was unavailable for submission to the CEC during the IEPR cycle, we do not intend to reevaluate the range of need based on load or resource assessments by LSEs in the context of our procurement proceedings or long-term plan review. Thus, interested stakeholders that wish to engage in analysis of LSE resource needs,

load forecasts, or scenario planning should do so in the context of the CEC's IEPR process.

Beyond this initial general guidance, we will provide more detail of the exact topics to be addressed in each venue as the planning process unfolds. In addition, we will provide an opportunity for parties to comment on our proposed integrated planning cycle once more details are finalized.

**Therefore, IT IS RULED that:**

1. Pacific Gas and Electric, Southern California Edison, and San Diego Gas & Electric shall provide requested load forecast, resource assessment, and related information and data to the California Energy Commission (CEC) to assist in its 2005 Integrated Energy Policy Report (IEPR) process.

2. Parties interested in addressing issues of load forecasting, resource assessment, and scenario analyses as part of the resource planning process in advance of the 2006 long-term resource plans should participate in the CEC's 2005 IEPR process.

Dated September 16, 2004, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner

## ATTACHMENT A

**CPUC, CEC, and CAISO are collaborating to support integrated planning and procurement in California.**

- **CEC's 2005 Integrated Energy Policy Report ("IEPR") process will estimate need for resource additions, evaluate policies and recommend appropriate resource strategies for the state to meet forecasted load on a biennial cycle.**
  - All load serving entities will provide load forecasts, resource plans and transmission assessment as input into the IEPR process.
  - The CAISO will provide the key policy issues and components of its transmission assessment processes.
  - The IEPR will (1) identify likely range of statewide and LSE-specific need and resource assessment to be used by the CPUC when evaluating in IOU's long-term procurement plans for submittal in 2006 CPUC procurement process, (2) provide disaggregated load forecasts to CAISO for use by PTOs and CAISO in the next transmission assessment cycle, and (3) recommend broad, statewide resource preference policies.
- **CPUC's procurement process will produce IOU-specific procurement plans, require competitive generation solicitations, incorporate needed transmission upgrades and guide preferred resource acquisition to ensure resource adequacy on a biennial cycle beginning in 2006.**
  - CEC provides ranges of likely need and resource assessment for individual IOUs and statewide policy preferences from IEPR.
  - Transmission projects contained in the approved plans will be evaluated in annual CAISO transmission planning process. If the CAISO's transmission economic assessment methodology is accepted by the CPUC, then the CPUC will use the CAISO's determination of need for projects.
  - IOUs fulfill/implement approved long-term plans through competitive procurement processes, filing for permits, or other approved processes.
- **CAISO's Annual Grid Planning Process receives information from both the CPUC's procurement process and the CEC's IEPR and integrates this information into a comprehensive view for the CAISO-controlled grid, and develops a project-specific set of preferred transmission projects.**
  - Receives Participating Transmission Owner (PTO) (includes IOUs and some munis) transmission plans.
  - Receives additional IOU transmission project information from CPUC procurement process.
  - Receives CEC's disaggregated load forecasts from IEPR.
  - Provides CAISO policy perspective on transmission issues as input into CEC's IEPR and CPUC's procurement proceeding for review.
  - Produces approved preferred transmission alternatives for IOUs that then go through the CPUC permitting process.

## **CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached **Assigned Commissioner's Ruling On Interaction Between The CPUC Long-Term Planning Process And The California Energy Commission Integrated Energy Policy Report Process** on all parties of record in this proceeding or their attorneys of record.

Dated September 16, 2004, at San Francisco, California.

/s/ Sally Cuaresma  
Sally Cuaresma

## **N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.